



Nashua City Hall Press Release

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Nashua, New Hampshire \$27,325,000 Bonds Net 2.53%

(Nashua) Mayor Donnalee Lozeau announced that the city received competitive bids for a \$27,325,000, new money and refunding bond issue on Tuesday, April 7, 2015. Bank of America Merrill Lynch was the winning bidder of the Bonds with an average interest rate (True Interest Cost) of 2.53%. The City received a total of 10 bids on the Bonds, which have terms of 20-years or less. Bond proceeds, including the premium received, will finance \$25,124,269 of project costs associated with an Enterprise Resource Planning System, Broad Street Parkway construction, an Aerial Tower Truck, Radio Communications upgrade, Broad Street School improvements, and a Landfill Compactor. The refunding of bonds originally issued December 15, 2006 will generate total savings of \$512,219 over the remaining life of the bonds.

Prior to the sale, Fitch Ratings, a municipal bond credit rating agency, affirmed the City's underlying bond rating of 'AAA', the highest rating attainable. The rating agency cited the City's strong financial management, diverse and expanding economic base, low debt levels and manageable future retiree costs as positive credit factors.

Also prior to the sale, Standard and Poor's Rating Services, another municipal bond credit rating agency, assigned an upgraded rating of 'AA+/Positive' to the Bonds. The rating agency cited the City's strong economy and budgetary performance and flexibility; very strong management with strong financial policies and practices; and strong debt and contingent liability position as positive credit factors.

Reacting to the sale, Lozeau said, "I am once again pleased that we were able to sell these bonds at a very competitive rate. For five consecutive years the City has been able to sell bonds with a rate under 3%, which allows us to save millions in interest costs. These savings are very important to our property owners. The ratings create a high demand for our bonds and provides for highly competitive bids. I am also pleased with each rating agency's analysis that speaks to our commitment to reasonable budget increases along with our use of committed reserves while providing for growth in the unassigned fund balance. This achievement speaks very well of our financial team lead by Treasurer David Fredette and CFO John Griffin. The excellent ratings the City has received reaffirm our commitment to sound financial management practices and the overall good health of Nashua."

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